

AMENDED IN ASSEMBLY APRIL 25, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

No. 2972

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Introduced by Assembly Member Nava

February 24, 2006

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An act to amend Sections 6244 and 6872.5 of, and to add Section 6872 to, the Public Resources Code, relating to oil and gas leases.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2972, as amended, Nava. Oil and gas leases: state waters.

Existing law authorizes the State Lands Commission to lease tide and submerged lands and beds of navigable rivers and lakes for the extraction of oil and gas, as specified. ~~Existing law authorizes the commission to adjust the boundaries of existing leases in those areas to encompass all of a field partially contained within the lease, subject to the commission making certain findings.~~

This bill would ~~provide that~~ *require, if* an application for oil and gas development in state waters that is determined to be incomplete by the commission ~~shall be deemed to be a stale application~~ *continues to remain incomplete* one year after the date of the first incomplete notice sent to the applicant by the commission, *the application to be considered withdrawn*. The bill would ~~require when~~ *authorize, if* an application ~~is stale that has been withdrawn in that manner, the applicant to~~ submit a new application. ~~The bill would add as a finding that the oil or gas to be developed from the new area will not increase the life expectancy of ancillary support facilities, including pipelines, drilling facilities, or processing facilities, envisioned in any original permit approval, staff report, or environmental impact report document.~~

Existing law authorizes the State Lands Commission to enter into a lease for extraction of oil or gas from state-owned tide and submerged lands in the California Coastal Sanctuary under certain conditions.

This bill would prohibit the commission from entering into that type of lease on those lands, unless it can be determined that the oil or gas to be developed pursuant to the lease will not increase the life expectancy of ancillary support facilities, including pipelines, drilling facilities, or processing facilities envisioned in any original permit approval, staff report, or environmental report.

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~*no*. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 6244 of the Public Resources Code is~~  
2     ~~amended to read:~~

3     ~~6244. (a) The commission may enter into a lease for the~~  
4     ~~extraction of oil or gas from state-owned tide and submerged~~  
5     ~~lands in the California Coastal Sanctuary, if the commission~~  
6     ~~determines that those oil or gas deposits are being drained by~~  
7     ~~means of producing wells upon adjacent federal lands and the~~  
8     ~~lease is in the best interests of the state.~~

9     ~~(b) The commission shall not enter into a lease for the~~  
10    ~~extraction of oil or gas from state-owned tide and submerged~~  
11    ~~lands in the California Coastal Sanctuary, unless it can be~~  
12    ~~determined that oil or gas to be developed pursuant to that lease~~  
13    ~~will not increase the life expectancy of ancillary support~~  
14    ~~facilities, including pipelines, drilling facilities, or processing~~  
15    ~~facilities, envisioned in any original permit approval, staff report,~~  
16    ~~or environmental impact report document.~~

17    ~~SEC. 2.~~

18    ~~SECTION 1.~~ Section 6872 is added to the Public Resources  
19    Code, to read:

20    6872. (a) ~~An~~*If an* application for oil and gas development in  
21    state waters that is determined to be incomplete by the  
22    commission ~~shall be deemed state continues to remain~~  
23    ~~incomplete~~ one year after the date of the first incomplete notice  
24    sent to the applicant by the commission, ~~the application shall be~~  
25    ~~considered withdrawn.~~

1 (b) If an application has been ~~determined to be stale,~~  
2 ~~withdrawn~~ pursuant to subdivision (a), the applicant ~~shall~~ *may*  
3 submit a new application.

4 SEC. 3. ~~Section 6872.5 of the Public Resources Code is~~  
5 ~~amended to read:~~

6 ~~6872.5. The commission may adjust the boundaries of~~  
7 ~~existing leases to encompass all of a field partially contained~~  
8 ~~within the existing lease subject to both of the following~~  
9 ~~conditions:~~

10 (a) ~~The commission makes all of the following findings:~~

11 (1) ~~The adjustment will permit more efficient utilization of~~  
12 ~~state resources.~~

13 (2) ~~The number and size of existing offshore platforms will~~  
14 ~~not be increased, except that modifications to a platform within~~  
15 ~~the existing boundaries of a lease shall be permitted where the~~  
16 ~~modifications are reasonably necessary for development of all of~~  
17 ~~the resources within the reconfigured lease.~~

18 (3) ~~The boundary adjustment will not require the construction~~  
19 ~~or major modification of a refinery in this state to permit~~  
20 ~~development of any increased production resulting from the~~  
21 ~~boundary adjustment, unless that construction or major~~  
22 ~~modification is to a field production facility servicing the lease.~~

23 (4) ~~The boundary adjustment represents the environmentally~~  
24 ~~least damaging feasible alternative for the extraction and~~  
25 ~~production of affected resources.~~

26 (5) ~~The oil or gas to be developed from the new area will not~~  
27 ~~increase the life expectancy of ancillary support facilities,~~  
28 ~~including pipelines, drilling facilities, or processing facilities,~~  
29 ~~envisioned in any original permit approval, staff report, or~~  
30 ~~environmental impact report document.~~

31 (b) ~~Those parts of the field within areas added to the existing~~  
32 ~~lease may not be developed except from upland sites or from~~  
33 ~~existing offshore facilities within the original lease boundaries.~~